

Building a

Viable Career Path

C3 Brings Owners and Contractors Together in Favor of Training, Fair Wages, and High-Quality Craft Workers

CARY SEABOLT HASN'T BEEN IN construction long, but he's seen enough to know that the industry's image isn't what it used to be. Commercial construction has never been what you'd call glamorous, but it used to be a solid, respectable career path—you could enter the field, learn a craft; and earn enough money to buy a home and support a family.

"My grandpa was a carpenter, and when I was a kid I thought that was awesome—I still think that. But here it is 30 years later and the pay is the same as it was back then," he says. "We've lowered wages, we've pulled benefits, and we're not really training—in doing all that, we've taken out any reason for a young person to come work for us."

At 27, Seabolt is something of a rarity in the construction industry—a young person who chose construction as a career path. While many of his peers were pursuing degrees in business and corporate management, Seabolt decided to major in construction science.

Currently a project manager in the drywall department at Marek Brothers Systems, Seabolt believes construction is still a very viable career path for young people but concedes the industry suffers some serious problems—including a less-than-positive image and what he calls a "downward spiral" of low pay, no benefits and little to no training.

From an ethical point of view, it's easy to say that providing craft workers with training and fair pay are just the right things to

do as a good corporate citizen. But as a contractor, how do you do these things without losing business to the dozens of fly-by-night contractors who cut costs by *not* doing the right things? How do you convince a new generation of young people that craft work can be an "awesome" career path? How do you convince holdouts that a sustainable, trained, well-compensated workforce will actually save money in the long run? And how do you get owners on board?

The answer? An initiative called the Construction Career Collaborative (C3).

"Doing Nothing is Not an Option"

In the spring of 2010, AGC Houston's then-Chairman of the Board Tom Vaughan wrote an editorial for *Cornerstone* about the issues facing the construction industry:

"First and most importantly, we must begin addressing a future workforce bubble that will burst after the recession... in addition to the fact that our members are attempting to manage twice the work with half the skilled workers," Vaughan wrote. "Our skilled workforce is leaving the industry at an alarming rate and isn't being replaced. This is a complicated issue that won't be solved overnight, or even in one year. Doing nothing is not an option—we need to address these issues now."

Just a few months before his editorial was published, Vaughan arranged a meeting with AGC Houston President/CEO Jerry Nevlud and Vice-Chair Jim Stevenson, forming a taskforce aimed at addressing the workforce shortage. They reached out to other members of the AGC, spoke with owners from the Texas Medical Center and Rice University and came up with a set of objectives and best

about C3 thinks it's a good idea. Owners stand to benefit from C3 just as much as craft workers and contractors.

"If you look at the life cycle of a building, the actual construction cost is only about 10 percent of what the building will ultimately cost," he says. "If you look at it that way, C3 isn't really costing you anything. You get a better-built building and fewer problems. You pay more up front, but you don't end up dealing with nearly as many maintenance and quality issues."

Nevlud says that the structure of C3 borrows a great deal from LEED certification. Like LEED—encouraging owners to opt for environmentally friendly construction practices—C3 will be a voluntary program, with owners choosing a level of participation (or partnership). Owners participating in C3 make a commitment to choosing contractors who pay a fair wage and provide OSHA safety training for their workers. An auditing committee ensures all contractors meet C3 standards.

"Owners will basically say, 'This is a C3 project and everyone on the project must be C3 compliant," Nevlud says. "Each craft worker would have OSHA 10-hour training, and each supervisor would have 30-hour training. Contractors who bid on a C3 job will need to make sure they're compliant within a certain amount of time."

The C3 initiative is still in the development phase, but a few beta projects, which will launch in late 2011 or early 2012.

From Last Resort to Viable Career Path

Katrina Kersch, corporate director of workforce development with Marek Brothers Systems, says that on many jobs, craft workers' only training consists of an informal, learn-as-you-go approach known as "Follow Joe." As in, 'follow Joe and do what he does.'

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— James Stevenson, W.S. Bellows Construction Corp., AGC Chairman

practices that could help attract new craft workers and give the industry's image a much-needed boost.

Everyone agreed that if the construction industry was serious about confronting the workforce shortage, two key things needed to happen: Employers needed to offer a competitive wage and benefits, and workers needed access to craft and safety training.

In an industry accustomed to cutting costs, everyone also agreed there was only one way to make sure that these things happened: Owners had to create the demand. This initiative—owner-mandated fair pay, benefits, and craft and safety training—became C3.

"In our industry, historically, it's a race to the bottom. The bid is going to the lowest bidder—and the lowest bidder isn't paying to train. We used to compete on productivity—now we compete on the backs of the craft workers," says Jim Stevenson, a member of Tom Vaughan's original task force and current AGC Houston Chairman. "The owners choose the contractors, so we're trying to get the owners engaged; we want to get them to demand C3."

Stevenson says there were concerns within the industry that C3 would cost too much; owners would be hesitant to get on board with an initiative that resulted in a slightly more expensive product. But Stevenson says almost every owner he's spoken to

"Right now, only about 13 percent of our industry comes through formal training," says Kersch, who heads up the C3 task force on craft training and certifications. Kersch says that a lack of standardized, formalized craft training is dangerous to the construction industry in more ways than one: In addition to putting workers at risk for on-the-job accidents and injuries, the "Follow Joe" approach makes the work unattractive to prospective employees—especially the younger employees the industry so desperately needs.

Kersch hopes that C3 will help create industry-specific, formalized training programs that change the way young people view construction. In the long term, she says C3 may be the key to making construction a viable career path and sees potential for partnerships with high schools and junior colleges, in addition to craft training and apprenticeship-type programs that might provide viable alternatives to bright young people who don't see a traditional college education as relevant.

Currently, Kersch says, most workers enter the industry in their mid- to late-20s after they've tried a few other career options. "It's a process of elimination," she says. "College doesn't work out, and the job they have isn't going to be enough for them to support themselves or have a family. They come to the construction industry as a last resort."

Why C3

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WHY C3?

The commercial construction industry in the Greater Houston Region is at a crossroads.

- average craft worker is 47 years old
- average entry age into the industry is 29
- Craft training is at an all-time low.
- Future building growth is projected to exceed anything seen in previous generations.

Who will build these buildings? Will we determine the workforce of the future or will the current workforce determine how buildings are built. How that question is answered impacts us all.

- Construction Owners
- · Contractors
- · Craftsmen
- · Community

PARTNERING TODAY to ensure TOMORROW'S WORKFORCE

C3 IN THE NEWS

- Texas Childrens, MD Anderson Team with C3
- CHF Scenarios Align with C3 mission
- Safety Council Texas City. C3 Join Forces
- Area Associations Back C3 efforts







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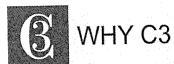
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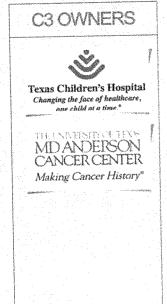
Craftsme

Owner Driven

According to a study by the Construction Industy Institute, "Enhanced craft training is where safety training was 15 years ago. There was a great scope for safety improvements then, and there is great scope for improving the skills of our work force now. Improving safety resulted in large payoffs, and it continues to be the right thing to do. Evidence exists... and has concluded that on a single capital construction project, each dollar invested in craft training can yield \$1.30 to \$3.00 in benefits... When groups of owners and employers cooperate, the benefit/cost ratios are even greater".

According to the U.S. department of Labor, every dollar invested in employee training in the construction industry provides a return of \$54.00.

Join our efforts today.



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About

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Why C3

Task Force Chair

Jim Stevenson - W.S. Bellows Construction Corporation

Task Force Members

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Jerry Nevlud - AGC Houston Mike Holland - Marek Brothers Systems, Inc. Michael Emmons - SpawGlass Construction Corp. Tommy Lee - W.S. Bellows Construction Corporation Kevin Camaratta - Camaratta Masonry Wayne McDonald - Fisk Electric Tom Vaughn - Vaughn Construction Pat Kiley - Kiley Advisors, LLC

Organization Chart

- Project specifications
- Criteria for C3 Owner, Contractor, Specialty Contractor membership
- Application review and acceptance
- Audit controls
- · Trainer qualification standards
- . Common data collection requirement
- Develop Uniform Marketing/Publicity Strategy
- Develop Uniform Data Collection Strategy Conduct Audits
- Training Standards
- Training Providers
 Wages & Benefits Survey

Committee





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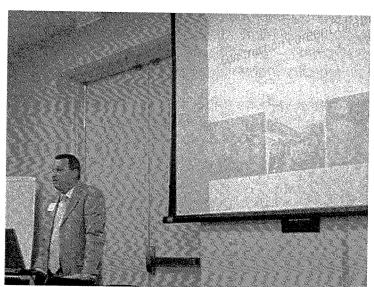
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Sustainable Workforce Initiative on Track for a Fall 2011 Roll Out

Submitted by Jim Stevenson on Thu, 08/11/2011 - 10:30

- Sustainable Value
- Awareness and Recruiting
- Compensation
- Construction Career Collaborative





Blogger Mike Holland discussed a workforce initiative of the Houston Chapter of the Associated General Contractors in his November 3, 2010 post. Since that time, over fifty individuals from Houston area contractor and specialty contractor companies have been working in seven task forces to fulfill the mission of creating a method whereby socially responsible owners, contractors and specialty contractors can positively affect the growth of a sustainable workforce. The task forces aim to achieve this by advancing principles that raise the image of the industry, attract and retain verifiably qualified workers, provide a safer and healthier environment and improve efficiency and productivity. Formerly called the Construction Industry Sustainable Workforce Alliance (CISWA) and now known as the Construction Career Collaborative (C³), the initiative has sought the support of other leading industry organizations from ABC, ASA, MCA, OSHA, HASC to SCTC in the effort to advance the commercial construction industry by embracing principles that will lead to a sustainable craft workforce. With input from over a dozen commercial construction owners, C³ will roll out its initiative with two beta projects in the fall of 2011.

The beta projects will occur in both public and private project environments. The owner of each project will mandate that each craft worker on the project

- be paid by the hour with applicable overtime
- have unemployment taxes, workers' compensation insurance and social security paid on their behalf

- receive OSHA 10-hour training
- receive C³ 5-hour commercial industry-specific safety training
- receive craft training

In addition to the requirements above, each craft worker supervisor will undergo OSHA 30-hour training. C^3 will assist in collecting necessary data to audit compliance with the requirements.

Jerry Nevlud, President of AGC Houston, stated:

"It is the right time and place for all participants in our industry to take charge of it by embracing the principles of C³. Principles that will eliminate worker misclassification, provide safety training, and ensure craft training – thereby creating an environment where the craft worker participates in an industry that values their work."

Follow the progress of C³ at the **AGC Houston** website under the workforce initiative page and at the official **Construction Career Collaborative** website.